



GAIL FARBER, Director

# COUNTY OF LOS ANGELES

REVISED

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE

June 16, 2015


The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

44 June 16, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

**RESCIND AWARD OF A CONSTRUCTION CONTRACT  
AND AWARD THE CONSTRUCTION CONTRACT TO ANOTHER BIDDER  
KAGEL CANYON ROAD WATERMAIN REPLACEMENT  
IN THE UNINCORPORATED COMMUNITY  
OF KAGEL CANYON  
(SUPERVISORIAL DISTRICT 5)  
(3 VOTES)**

**SUBJECT**

This action is to rescind the award of the construction contract to GMZ Engineering, Inc.; award it to Sully-Miller Contracting Company; and authorize the Director of Public Works or her designee to execute a construction contract for work in the unincorporated community of Kagel Canyon.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF  
THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 21:**

1. Rescind the award of the construction contract to GMZ Engineering, Inc.
2. Award and authorize the Director of Public Works or her designee to prepare the construction contract in the form previously approved by County Counsel, execute the contract and establish the effective date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificate filed by the contractor for Project ID No. WWD2100003 – Kagel Canyon Road Watermain Replacement for replacement of an existing cast-iron watermain with approximately 4,800 linear feet of polyvinyl chloride watermain, in

the unincorporated community of Kagel Canyon, to Sully-Miller Contracting Company, in the amount of \$1,065,479.40.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to obtain approval from the Board, acting as the governing body of Los Angeles County Waterworks District No. 21, to rescind the award of the contract to a bidder that has not commenced work of the contract, award this contract to the next responsive and responsible low bidder, and authorize the Director of Public Works or her designee to execute the contract and establish the effective contract date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificate filed by the contractor for this project.

On October 21, 2014, Agenda Item 37, the Board approved the project; adopted the plans and specifications; called for bids to be received on November 20, 2014; and instructed the Executive Officer of the Board of Supervisors to advertise the project. On March 3, 2015, Agenda Item 24, the Board approved awarding this project to GMZ Engineering, Inc., who had submitted the lowest bid. On March 13, 2015, GMZ Engineering, Inc., contacted the Department of Public Works and requested relief from its contract obligation.

GMZ Engineering, Inc., completed and was paid for a consultant services agreement for this project. The consultant services agreement is not part of the construction contract. No work has yet been performed on the construction contract, and hence no money has been paid or is owed by the County of Los Angeles. Since the project was awarded over 90 days from the date on which bids were received, Public Works relieved the contractor from its contract obligation per the Instructions to Bidders. The next lowest responsive and responsible bidder, Sully-Miller Contracting Company, agreed to keep its bid open for additional time so that it can be awarded the contract at its bid price.

The enclosure includes the project description, the call for bids, bid opening date, a tabulation of bids, and financial information. The certified record of receipt of bids and the original bid proposals are also enclosed for this project.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/ Fiscal Sustainability (Goal 1) and Integrated Services Delivery (Goal 3). Awarding this construction contract will provide improved infrastructure to better serve the public and enhance the quality of life in the affected community.

### **FISCAL IMPACT/FINANCING**

This action will have no impact to the County General Fund.

The construction contract cost of \$1,065,479.40 is included in the Fiscal Year ~~2014-15~~ 2015-16 Accumulative Capital Outlay Fund of the Kagel Canyon Water System (N19).

The enclosure includes the amount of the recommended contract as compared with the engineer's estimate, the other bids received, and more detailed fiscal and financial information.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the Interim Chief Executive Officer's and the Board's requirements.

The award of this contract will be in full compliance with Federal, State, and County regulations. This contract contains terms and conditions supporting the Board's ordinances, policies, and programs including, but not limited to: the County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; the County's Defaulted Property Tax Reduction Program Ordinance, Los Angeles County Code, Chapter 2.206; Local Business Enterprise Preference Program, Los Angeles County Code, Chapter 2.204; and the standard Board-directed clauses that provide for contract termination or renegotiation.

The State Public Contract Code requires the County to award construction contracts to a responsible contractor with the lowest responsive bid, which is defined as the firm that: (1) submits the bid with the lowest cost; (2) is deemed by the County to be responsive to specific criteria under the solicitation including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a responsible bidder by exhibiting the capability, capacity, experience, trustworthiness, and financial wherewithal to perform the work required under the bid solicitation.

To ensure the contract is awarded to a responsible contractor with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractor's State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by each respective contractor was considered before making this recommendation to award.

The plans and specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with Public Works.

### **ENVIRONMENTAL DOCUMENTATION**

On October 21, 2014, Agenda Item 37, the Board found this project to be categorically exempt from the provisions of the California Environmental Quality Act.

### **CONTRACTING PROCESS**

The contract was solicited on an open-competitive basis in accordance with the provisions of the State Public Contract Code.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

To further increase contractor awareness of contracting opportunities with Public Works, this project was listed on both the County's "Doing Business with Us" and Public Works' "Contract Opportunities" websites for upcoming bids.

Public Works will review and approve the Faithful Performance and payment bonds filed by the contractor.

The Honorable Board of Supervisors  
June 16, 2015  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This construction contract will result in improved public works infrastructure in the community where the work is scheduled.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gail Farber", written in a cursive style.

GAIL FARBER  
Director of Public Works

GF:JTS:ma

Enclosure

c: Chief Executive Office (Rochelle Goff)  
County Counsel  
Executive Office  
Internal Services Department (Countywide Contract Compliance)

AWARD OF CONTRACT  
June 16, 2015

PROJECT ID NO. WWD2100003 – Kagel Canyon Road Watermain Replacement, (in the unincorporated community of Kagel Canyon), Supervisorial District 5.

TYPE OF WORK: Replacement of an existing cast-iron watermain with approximately 4,800 linear feet of polyvinyl chloride watermain and the performance of other appurtenant work.

CALL FOR BIDS DATE: October 21, 2014 (Agenda Item 37)

BID OPENING DATE: November 20, 2014

BID SUMMARY:

Low	Sully-Miller Contracting Company 135 South State College Boulevard, Suite 400 Brea, California 92821 (714) 578-9600	\$1,065,479.40
2	Minco Construction	\$1,117,528.00
3	Toro Enterprises, Inc.	\$1,146,775.00
4	Vido Artukovich & Son, Inc., and Vidmar, Inc. (Joint Venture)	\$1,351,744.50
5	Vasilj, Inc.	\$1,357,353.59
6	J A Salazar Construction and Supply Corporation	\$1,398,767.00
7	Ferreira Coastal Construction, Co.	\$1,404,684.60
8	Vido Samarzich, Inc.	\$1,530,243.50
9	Blois Construction, Inc.	\$1,718,906.00
10	Ramona, Inc.	\$1,739,169.00

\*MNR Construction, Inc., submitted a bid in the amount of \$859,880; however, this contractor made a mistake in filling out its bid. Therefore, MNR Construction, Inc., was relieved of its bid as provided in the Instructions to Bidders.

\*GMZ Engineering, Inc., submitted a bid in the amount of \$1,005,656.50; however, this contractor requested to be released from its bid on March 13, 2015. The County felt it was in its best interest to release this contractor. Therefore, GMZ Engineering was relieved of its bid as provided in the Instructions to Bidders.

\*Local Small Business Enterprises (LSBE)

GRFCO, Inc., submitted a bid in the amount of \$1,029,128.70; however, this contractor declined the project.

FINANCIAL INFORMATION:

Amount of estimate, including the consultant services agreement	\$ 891,250.55
Amount of consultant services agreement	\$ 2,000.00
Amount of recommended contract	\$1,063,479.40
Amount of recommended contract and consultant services agreement above the estimate	\$ 174,228.85

On October 21, 2014, Agenda Item 37, the Board authorized the Director or her designee to execute a consultant services agreement for \$2,000. The amount of \$1,063,479.40 represents the amount of the lowest responsive bid with the cost of the consultant services agreement subtracted from it.

The amount of the recommended contract is 20 percent above the estimate.

Funding for this project is available in the Fiscal Year ~~2014-15~~ 2015-16 Accumulative Capital Outlay Fund of the Kagel Canyon Water System (N19).

ENVIRONMENTAL IMPACT:

On October 21, 2014, Agenda Item 37, the Board found this project categorically exempt from the provisions of the California Environmental Quality Act.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 90 working days. It is anticipated that the work will start in September 2015 and be completed in January 2016.

JD:lg

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